

A Work Project, presented as part of the requirements for the Award of a Masters Degree in Management from the NOVA – School of Business and Economics.



The building blocks of social entrepreneurship: empirical model and framework

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A Project carried out under the supervision of:

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A.Y. 2012-2013

Abstract

The purpose of this exploratory study is to identify a common path followed by social entrepreneurs, so as to build a comprehensive empirical model. The methodology used is qualitative interviews; in particular, semi-structured questions were addressed to a sample of ten social entrepreneurs, whose answers were transcribed and analysed.

The main result is represented by a five-stage pattern followed by social entrepreneurs: each stage is firstly described and further linked to specific challenges that social entrepreneurs face and assets they need during the process. It is fundamental to highlight that some of these stages and challenges are peculiar to social entrepreneurship, differing from regular entrepreneurship.

The key conclusion is that it is possible to identify a common pattern that could guide current and future social entrepreneurs. Furthermore, this research paper emphasises best practices and lesson learned from current social entrepreneurs by leaving a powerful heritage to who is interested in make a real change in society.

Keywords:

Social entrepreneurship, social entrepreneurs, exploratory study, diagnosis and idea, pilot, business model, operation, scale up

Introduction

“The reasonable man adapts himself to the world, the unreasonable one persists in trying to adapt the world to himself. Therefore all progress depends on the unreasonable man.” (Shaw, 1921)

Society needs the unreasonable man portrayed above and ethically driven social entrepreneurs to break out of negative patterns and to initiate new orders of things. In fact, social enterprises positively influence society through job creation, economic development support, and life quality improvement (Kuratko & Hodgetts, 2004). According to the contemporary business philosopher Peter Drucker, social entrepreneurship will probably reach more importance than for-profit entrepreneurship (Gendron, 1996). Social entrepreneurship globally mainly acts in key fields such as human rights, health and insurance for children and disadvantaged people, housing, education, poverty, ethnic minorities, work and employment, pollution and climate crisis, food scarcity and waste, clean drinking water, and also empowerment of women.

Although social enterprises seem to be desirable to improve societies' welfare, they represent a quite tough achievement. The main problem is represented by the lack of comprehensive and generalizable knowledge about the path social entrepreneurs should go through in order to succeed, which makes social entrepreneurship's diffusion even more difficult. Presently, social entrepreneurs looking for the best way to begin their enterprise and searching for manners to avoid common pitfalls cannot be fully satisfied with the existing literature, due to the fact that there is a shortage of empirically based theories (Mair, Robinson & Hockerts, 2006). A well-developed body of studies should include a balance of studies that are generalizable, accurate, and specific (Weick, 1979). Albeit case studies may reflect the latter two requirements, they are incapable to

offer generalizable models. Therefore, social entrepreneurship research will not reach an advanced level until a relevant sample of empirical results will be analysed in order to find out a comprehensive set of generalizable findings and guidelines for social entrepreneurs.

The creation of a model would predominantly benefit social entrepreneurs, but it could also encourage individuals, institutional investors, and private companies to contribute somehow in social enterprises. In fact, a structured pattern to follow will work as warranty of professionalism and would remarkably reduce risks, thus making investors more willing to fund social enterprises.

This research project points at bridging the gap separating what we currently know about social entrepreneurship and what could relevantly boost this emerging field. In particular, this work aims to answer to a specific research question in a deep and structured manner: what is the pattern followed by social entrepreneurs?

Hence, the purpose of this exploratory study can be synthetized as follows:

- i. Discern which steps social entrepreneurs take to be successful;
- ii. Understand the challenges and needs of entrepreneurs along the journey.

Also, a further goal is learning from the inspired and highly pragmatic best practices of social entrepreneurs currently involved in the process to draw lessons for current and future players of this sector. Overall, the work will represent a comprehensive collection of available information pertaining the process of being social entrepreneurs.

This report points to stimulate continuous interest by guiding the reader toward a consistent and logical understanding of both the topic and the research. The rest of the paper consists of the literature review, where relevant existing contributions of literature

are briefly presented; the methodology, which displays in details how the research is implemented and why; the results, consisting in the five-stage model along with insight, challenges and assets for each stage; and the conclusion, where a comprehensive wrap-up is exposed.

Literature Review

Existing literature about social entrepreneurship is considered quite limited (Mair, Robinson & Hockerts, 2006) due to two main reasons: first, although this phenomenon was not born recently, it only lately boomed and raised the interest of society; second, few of the studies and findings available have an empirical foundation. Literature embeds a heterogeneous set of definitions of social entrepreneurs (refer to Table I for definitions).

Table I: Definitions of social entrepreneurs

Author/s & Year	Definition of social entrepreneurs
Bornstein (1998)	Social entrepreneurs are path breakers with a powerful new idea who combines visionary and real-world problem-solving creativity, have a strong ethical fibre, and are totally possessed by their vision of change.
Waddock & Post (1991)	Social entrepreneurs are private senior citizens who play critical roles in bringing about catalytic changes in the public sector agenda and the perception of certain social issues.
Thompson, Alvy & Lees (2000)	Social entrepreneurs are people who realize where there is an opportunity to satisfy some unmet need that the state welfare system will not or cannot meet, and who gather together the necessary resources (people, money) and use these to “make a difference”.
Leadbeater (1997)	Social entrepreneurs combine approaches of business and social welfare. They identify under-utilized resources, such as people, buildings, equipment, and find ways of putting them to use to satisfy unmet social needs.

Overall, I emphasize the necessity for a comprehensive single definition, in agreement with Mair and Martí (2004), stating that social entrepreneurship is a process of creating value by combining resources in new ways, and the combinations of resources are intended primarily to explore and exploit opportunities to create social value by stimulating social change or meeting social needs.

Regarding motivation thrilling social entrepreneurs, there is a set of various sources from which it could trigger, among which: 1) early and recent education and experience, such as parents' example, Scouts or charity initiatives during childhood, social organization at college or university, 2) religion influence, instilling values such as humanity and altruism, 3) workplace culture, 4) friends and community, 5) life hardships and challenges (London & Morfopoulos, 2010). Kuratko and Hornsby (2009) point out further factors that positively motivate the entrepreneur: independence, family employment, and exciting challenges to face when starting one's own business.

Focusing on skills possessed by social entrepreneurs, according to Thompson, Alvy et al. (2000) social entrepreneurs' necessary traits are vision and fortitude. Further features are opportunity recognition ability, collaborative leadership style, long-term community oriented motivation, and teamwork capability (Morse & Dudley, 2002).

Other success factors pointed out by Boschee (1998) are passion, purpose clarity, commitment, courage, customer focus, willingness to plan, strategy, and flexibility. Nonetheless, the aforementioned characteristics can be fairly used to describe all the entrepreneurs, not exclusively social ones. I agree with Drayton (2002) saying that the distinguishable trait is entrepreneurial quality, which refers to the obstinate motivation to change society that social entrepreneurs share within their group of partners and necessarily requires a proactive personality.

Concerning social entrepreneurs' personality characteristics, researchers agree on the following: criticism acceptance, lower failure-fear, perseverance, communication skills, trustworthy appearance, creativity, goal-oriented, and hard-worker (McLeod, 1997; Prabhu, 1999). Still, for the same reason of non-exclusiveness discussed above, the very distinctive feature shared by social entrepreneurs seems to be pro-social personality, which includes two dimensions: empathy, also known as ability to share others' feelings, and helpfulness (Penner & Fritzsche, 1993). Moreover, self-belief and social support are considered key elements for a social entrepreneur to be successful, due to the fact that social entrepreneurs cannot succeed alone. Thus, it is paramount to construct relationships grounded on trust and cooperation (Aldrich & Martinez, 2001).

Existing literature could play a crucial role in acknowledging society about this expanding phenomenon and increasing awareness of people in terms of the importance of social welfare. However, there is a lack of practical guidelines derived from real cases, and a comprehensive model could be helpful to social entrepreneurs in identify the stages they need to go through in order to run a social enterprise, since they cannot rely on practices implemented by regular enterprises. In order to overcome the aforementioned literature shortage, it is crucial to conduct an exploratory study that will lead to empirically based results.

Methodology

For the purpose of this exploratory study, qualitative interviews have been implemented, since they are particularly useful for getting the story behind a participant's experiences by reconstructing events, for collecting information about human behaviour, and for allowing the interviewer to pursue in-depth information

around the topic (McNamara, 1999). Qualitative research provides a more realistic insight of the reality that can scarcely be embedded in numerical data, and the use of unstructured data also confers descriptive capability (Boodhoo & Purmessur, 2009). An email invitation to participate in the study was sent to fifteen social entrepreneurs requesting an interview in person.

Between the 7th of February and the 5th of March 2013 ten social entrepreneurs were interviewed. The ten social enterprises have diverse profiles (refer to Appendix I for a detailed description of the enterprises snapshot) and belong to highly different domains, such as social integration, education, health, art, sport and food. To gain greater understanding of the social entrepreneurship phenomenon, I interviewed entrepreneurs whose business aims to solve a currently existing social problem, without placing boundaries on when the enterprise has been settled to include all enterprises having a life from 1 to 7 years. Furthermore, all social enterprises are specialized in offering services. Nine interviews were conducted in person and one via Skype.

A set of standardized open-ended questions (refer to Appendix II for a detailed description of the questions) have been selected and addressed, privileging broad questions in order to allow respondents to widely share their stories and challenges (Gal, Gal, & Borg, 2003). The above technique further allows addressing follow-up questions, in order to ensure to obtain optimal responses from participants (Creswell, 2007). The interviews' timing varied from 45 to 60 minutes. Answers have been all recorded and transcribed for the subsequent analysis (McNamara 1999).

Finally, responses have been studied and collated through compiling the data into groups of information, also known as codes (Creswell, 2003, 2007), which are consistent ideas that were common among research participants (Kvale, 2007).

At a conclusive stage, a systematic five-stage development pattern has been built. Moreover, quotes of the respondents have been included as illustrative and confirming the stages (Folkestad, 2008).

Results

The interviews' examination led to a methodical five-stage pattern followed by social entrepreneurs. Each stage can be divided into further steps aiming to define entrepreneurs' actions in details (refer to Table II for a detailed description of the model). Moreover, respondents shared the main challenges and assets' needs while their move forward along the process; some of these stages, challenges and assets are different from regular entrepreneurship.

To show a comprehensive picture of the model, some key features that social entrepreneurs have in common have been identified and pointed out for each stage, as shown in the table below.

Table II: Five-Stage Pattern of Social Entrepreneurship

	1.	2.	3.	4.	5.
Stage	Diagnosis & Idea	Pilot	Business model	Operation	Scale up
Key Features	Vision Passion	Pragmatism Objectivity	Analysis Credibility	Effectiveness Efficiency	Promptness
Steps	Social diagnosis Idea generation Skills analysis Benchmarking Team building	Business model sketching Pilot Assessment	Business model Partnerships Investors	Reach target Offer service Impact	Growth Scale up

Stage 1: Diagnosis & Idea

This is the very first stage for a social entrepreneur and it consists of several consecutive steps. Firstly, an accurate social diagnosis of the existing issue the entrepreneur wants to solve is required. In the majority of cases, it came out that the recognition of the social problem is strongly related with the desire of contributing somehow to improve society and fulfil citizenship duties.

Secondly, the main idea on which the project will be founded is generated; several interviewees believe that the idea can be inspired by something happened during their childhood, something their community deficits and also by the participation to social entrepreneurship competitions organized by business schools and institutes. Some of the interviewees avow that they started their social enterprises after understanding that their life was not fully rewarding from a personal perspective.

“I asked myself if I was changing the world in any way and whether I was feeling accomplished at the end of each day. Being the answer negative, I decided to contribute to people happiness through my true project of life.” Frederico Fezas Vital – Terra dos Sonhos founder

The skills analysis step consists in investigating on key skills currently possessed by the founder and partners, whether they are already involved in the project.

Thereafter, respondents engaged in national and international benchmarking, so as to understand strengths and weaknesses of similar projects currently implemented worldwide. According to them, the main insights came from US based social enterprises, which are strongly focused on innovative but easy to realise activities.

Finally, founders started to recruit their team, trying to make sure that each team member incorporated values coherent with the project as well as skills and backgrounds indispensable to shape a significant impact.

“Benchmarking has a double function: gather feedbacks about the project and give insight about best practices already successful.” João Simoes – Sinergi founder

“In defining priority areas of intervention at this stage, I wonder how I could satisfy a specific unmet social need better than existing solutions.” Gustavo Brito – Marias founder

“It was very complicated to gather a great team, since we were looking for passionate and skilled people but we could not offer them any remuneration.” Charlotte Specht – Plugged-in founder

“It is hard to define when social projects start. They are apples growing on a tree that we pick when they become mature. Often the idea is already there, you just need to recognize it.” João Rafael Brites – Transformers founder

“In this first stage, being passionate makes the difference. The idea of the project was not there at the beginning, in fact it was born from my passion and desire to contribute in somehow to societal welfare.” João Simoes – Sinergi founder

Insights into Stage 1

- Interviews show that the diagnosis & idea stage is characterized by specific challenges for social entrepreneurs. React to conventional opinions and force reaction in society, attract the right people and think out-of-the-box are some of these hitches. Also, all the respondents agree on the fact that the main hurdle was to align team members’

expectations and responsibilities, especially because people are likely to destroy value instead of creating it when acting uncoordinatedly.

“Challenges are what do improve people. Which any other reason would motivate people to enhance?” Nuno Gonzaga – Escolinha de Rugby da Galizia founder

- Interviewed entrepreneurs recognize that there are specific assets being crucial in this first stage. Social entrepreneurs need support, not criticism. They look for answers, not for silence. Also, skilled and competent individuals are vital to create effective synergies, Internet connection and phones are fundamental to communicate internally and with external stakeholders, and strong will, passion, values and inspiration should foster the initial idea by crafting it into social enterprise. Further, having a wide and variegated network is a further advantageous asset, especially if it is based on trust and long-lasting relationships.

“It is very important that you give answers to others. Bear in mind that you will someday need for answers from others.” Eduarda Melo Cabrita – APPDAE founder

Stage 2: Pilot

The pilot or prototype represents the second and tougher stage for most of social entrepreneurs. In fact, it denotes the transition from abstract concepts to a pragmatic initial implementation of the project. Specifically, this stage includes three steps that are business model sketching, pilot itself and its assessment.

The former step involves people with managerial capabilities, who engage in planning and building guidelines for the project, even though the definitive business plan will be outlined afterward. Interviewees experiencing a lack of competences in this stage told us they asked to foundations or institutions for help, defining the latters as

their “business angels”. The pilot is a practical trial of the set of activities the enterprise will implement, with the purpose of assessing whether chances of success exist and to what extent. Hereafter, assessing the prototype scheme and the impact of its activities is compulsory before taking any further decision.

“The pilot has been paramount to understand in practice the best way through which our project could properly satisfy a social unmet need. It also gave us motivation by making the crew even more passionate.” João Simoes – Sinergi founder

“During the pilot, make sure you follow the golden rule - small scale, at low cost and with low risk.” Gustavo Brito – Marias founder

“When realizing your business sketch, talk with people and make them involved in the project. Do not be afraid to share your ideas with others; they will be helpful to recognise your value proposition.” Frederico Fezas Vital – Terra dos Sonhos founder

Insights into Stage 2

- Bureaucratic complexity, lack of answers by government, municipalities and institutions is the set of crucial challenges faced by interviewees, owed to the fact that social entrepreneurs are often forced to rely on others’ answers in order to obtain permissions. Moreover, shortage of support and opportunities in the external environment also makes the path difficult and displays every objective as impossible to reach. Also, the majority of respondents consider as paramount the understanding the target, its culture and characteristics.

“In my experience, bureaucracy often makes the simplest actions the toughest ones.” Antonio Costa Pereira – Dariacordar founder

“My father always told me that if I can overcome a difficulty today, I would overcome the impossible in the future.” Antonio Costa Pereira – Dariacordar founder

- Not only managerial but also IT capabilities are some of the essential assets in this second stage, especially to set up an appealing and user-friendly website or platform where demand and offer can convene. The entrepreneurs interviewed unanimously agree on the fact that two assets can definitely and positively determine the success of the pilot, which are financial resources and media presence, which are critical to advertise the existence of the initiative and its value creation for society, with the consequential result of increased awareness of both targets and investors.

Stage 3: Business model

This third stage is the central not only due to its position in the pattern but also owed to its function. It takes place through some principal steps that are business plan creation, partnerships and investments deals. At that point, adjustments of the previous business draft are likely to occur. Several respondents state that they largely reconsidered their business model after the pilot assessment, by partially or entirely editing their sketch. For instance, one common mistake for respondents was to rely on external services' suppliers; henceforth, in this stage they responded by largely internalizing several services. Part of the sample interviewed use Canvas business model (Osterwalder, Pigneur, Smith et al., 2010) (refer to Appendix III) but everybody argue that some specific themes should undeniably be developed in the business plan: a) Vision and objectives, b) Plan, including activities, timeline, team skills, leadership, responsibility and delegation, budget, risk assessment, c) Target, including its needs, characteristics and promotion initiatives toward it, d) Fundraising, including investors,

partners and respective promotion initiatives through media planning, e) Review, including quantitative and qualitative indicators and recommendations.

Interviewees agree on the fact that having a clear and structured business plan is one of the prerequisites investors care more about, since they indeed favour enterprises whose success probabilities are higher.

Respondents often refer to key partners and investors by using the appellation “business angels”, due to the fact that they are willing to offer to social enterprises monetary and non-monetary resources, such as professionals, infrastructures, and equipment; the inclusion of these activities into their CSR programs and social responsible initiatives allow investors to obtain their counter payment mainly through increase in reputation. Business angels bestow credibility to enterprises by opening doors in terms of opportunities and by creating a virtuous cycle due to the fact that new investors will reach entrepreneurs following the best example given by business angels.

“Having a set of business guideline questions to answer to in the very first step would have made things easier and avoided lots of on-going mistakes.” Charlotte Specht – Plugged-in founder

“The most useful thing we did was realizing a presentation of the project both with lots of visuals and details. It was crucial to make the project appealing to both the target and investors.” João Rafael Brites – Transformers founder

“FAO asked to me to share with them the project business plan. When I asked why, they told me it is rare to see a pragmatic and detailed enterprise model in the social sector, and this is the only way to succeed.” Antonio Costa Pereira – Dariacordar founder

“Social enterprises should create value as for-profit businesses do. We need even more investors than the for-profit sector needs.” Francisco Alvim – Academia des Champs founder

Insights into Stage 3

- Attract and engage stakeholders such as targets and investors, manage bureaucracy, effectively use managerial skills and network creation are some of the key challenges that entrepreneurs face at that stage. Some of the entrepreneurs have time to travel, learn and establish networks; however, the smaller ones encounter more troubles in networking, but still need access to information. Social entrepreneurs strongly need to share strategies, best practices and lesson learned, especially because they often cannot afford consultancy experts and large teams of talented professionals. The above need could be fulfilled through peers' event in local, national and international forums and events. Particularly, a large majority of entrepreneurs encountered hurdles in finding investors and establish long-term relationships with them. Conversely, among the few respondents immediately succeeding in terms of fundraising, the merit of their early attainment seems to derive from media exposure, such as participation in TV and radio shows, organization of events and conferences, and online presence through social networks.

“Every partner brings a unique set of expertise and experience. Thus, it becomes vital for the project and we start wonder how we managed things before its coming.” Francisco Alvim – Academia des Champs founder

“Events are our engine, they make the project sustainable.” Nuno Gonzaga – Escolinha de Rugby da Galizia founder

- Decisive assets in this third stage are public relations skilled people, a physical office as point of contact between entrepreneurs and investors where meeting can take place and through which the credibility and reliability of the project can arise, the presence of professional managerial guidelines procured by “business angels”, and media representatives as magnifying lens increasing stakeholders’ awareness and interest in the social initiative. Media access and presence remarkably made the difference in several enterprises; in fact interviewees believe organizing events and conferences definitely played a key success role.

“In this stage, we really needed skilled people capable to manage all the operational aspects, but also a physical head office; going through this phase was the major challenge for us.” Eduarda Melo Cabrita – APPDAE founder

Stage 4: Operation

The three consequential steps taking place in this fourth stage are target reach, service offering, and impact measurement.

Firstly, the target that has been selected during stage three is reached by the enterprise through a combined use of media and word-of-mouth. However, its reach is not enough, in fact entrepreneurs need to take the targeted people on board, involving them within the project that has been cautiously tailored on them.

Successively, the service preventively crafted is concretely provided to the target, by implementing specific sets of activities, just as for-profit firms do.

Lastly, a comprehensive and objective evaluation of the on-going operations and their impact is the essential precondition in order to verify the current business plan and explore the scale up potential. However, impact assessment can unquestionably be

considered as a transversal stage embracing the entire five-stage model. At the moment of the study, the majority of enterprises were experiencing the operation stage (refer to Appendix I).

“Especially at this stage, doing baby-steps could make the difference between a social enterprise and a successful social enterprise.” Frederico Fezas Vital – Terra dos Sonhos founder

“The operation stage offers the proper chance to make the crew even more involved in the social enterprise: delegate tasks, let them work on the field and they will fall in love with the project.” João Rafael Brites – Transformers founder

“How do we know whether we are on the right track? We actually do not know that. Thus, we are starting a research project to identify the best fitting performance measurement indicators.” Francisco Alvim – Academia des Champs founder

Insights into Stage 4

- In particular, the need for a structured organogram consistently emerges when respondents describe challenges faced in the fourth stage. As proof of its significance, enterprises that own an organogram since the beginning of the project collected extremely positive results in terms of efficiency, effectiveness and tasks' achievement. Also, engaging target and stakeholders, such as municipalities and investors, is seen as a sturdy task owed to limited credibility and general societal pessimism, which lead to scepticism on change-maker projects. Social entrepreneurs are challenged to inspire, force reaction of the public, raise awareness of society, think out-of-the-box, and change the biases according to which society is mainly based on security and success, and money is the most valuable resource. These people mostly fight for values without

earning money, work without income and use their own resources. Further, time management issues often arise due to lack of delegation, unclear task division, and scarcity of resources; the majority of the interviewees dedicate part-time efforts to social enterprises, despite the fact it would require a 24/7 engagement to run them properly. Thus, the need to provide the proper conditions thanks to which social entrepreneurs can work on the project full-time rises. Overall, being volunteers is one of the prime challenges in this demanding stage.

“Having already a quite established organogram in this phase helped enormously to focus on operations instead of focusing on tasks and responsibilities allocations.”

Nuno Gonzaga – Escolinha de Rugby da Galizia founder

- Financial resources undoubtedly represent the essential asset in the fourth stage. When facing cases of financial shortage, the interviewees' aim is to guarantee their project sustainability by implementing profitable activities such as classes, events and gala dinners to obtain extra cash inflows along to investors' donations. Monetary resources allow enterprises to buy equipment, infrastructures and any missing resource. Secondly, media and networks play a crucial function in reaching both target and investors. These assets are perceived by respondents as essential to achieve objectives in a more rapid and effective manner. The possession of a physical space is considered another valuable asset. Part of the sample does not have any space where basing the enterprise and the majority of the respondents believe it is useful as point of contact, stability and credibility, especially if equipped of phones, computers and managed by a secretary. This would also facilitate arrangement of meeting through which fostering an effective internal communication system, which is especially helpful when implementing operations and assessing them. Finally, both specific quantitative and

qualitative indicators are needed to guide the evaluation step; they allow enterprises to measure the gap between expected and obtained results and to reduce it through improved practices and lessons learned.

Stage 5: Scale up

It is the fifth and last stage in the path followed by social entrepreneurs. Characterized by two steps that are growth and scale up, this stage represents a new beginning for social enterprises that have the opportunity to scale their projects. That occurs whether potential chances of success arise from the impact assessment and whether sustainable growth ensues. Among the interviewees, respondents wonder if their existing business model should be merely shifted to new societies or, most likely, adaptations due to local differences are required. A further emerging result is that when a “business angel” is involved, it plays a crucial role in consulting entrepreneurs in terms of scaling, by supporting them in choosing where and how to spread.

“Before scaling, a ‘replication’ manual should be realized by the team together. Through that, the social value creation process becomes tangible and easily replicable in several other societies.” Antonio Costa Pereira – Dariacordar founder

“We included a scale up stage in our business plan even though we did not know whether the project would have succeeded. That was a further engine of motivation to work even harder.” Nuno Gonzaga – Escolinha de Rugby da Galizia founder

Insights into Stage 5

- Among the challenges tackled at that point respondents state that one of the most difficult to cope with was uncertainty about future events. Social entrepreneurs do their

best to forecast the future of their organizations but things go often differently, mainly owed to financial uncertainty. Another challenge results to be timelines in taking opportunities and promptly adapt to unexpected change; timing not only durably test enterprises' success but also it can sometimes decide on their survival.

- In order to overcome some of the aforementioned dares, people are one of the most valuable assets for social enterprises. In particular, the most valuable collaborators needed by social entrepreneurs in this phase should have managerial, networking, and time-management skills. Moreover, since the new market environment should be explored before expanding there, respondents stated that contacts with locals living in the region where the scale will occur are indispensable, especially if a mentor institution is not involved in the scaling procedure. Also, formal recognition is considered a key asset; it could be achieved through awards, conferences and papers and it encourages the enterprise to formalize their efforts and share them with the public. Finally, the majority of respondents agree on the importance of having voice to educate others, in order to have more opportunities to be widely heard and to communicate with people who share their values.

“The most rewarding achievement is when you realize you made the impossible possible.” Frederico Fezas Vital – Terra dos Sonhos founder

Comprehensive Insights

The entire sample of entrepreneurs been interviewed state that their enterprise mission is hidden beside the activities they implement. In other words, their operations are functional tools to reach the very and primary aim of the project, which always consists in creating a substantial social change.

For instance, social enterprises operating through sports such as tennis, rugby and surf have the purpose of fostering young people in terms of values, passion, result-orientation, sacrifices, and team working, which are fundamental pillars in everyday life. Henceforward, those target people are likely to be more satisfied and self-accomplished individuals and they will likely contribute to make their society a better place to live in. The above enterprises therefore assess two main areas of success: the first is improvement of the target in sports and the second is enhancements in life, such as school progresses.

Conclusion

Although the social entrepreneurs interviewed were different in terms of area of interest, experience, skills, personal and educational background, evidence shows that they share specific stages, challenges and assets, which differ from conventional entrepreneurship. Due to that, this report not exclusively answers to the initial research question “which is the pattern followed by social entrepreneurs?” by building an empirical-based five-stage model, but it further gives a valuable insight about how to successfully produce concrete change.

Running social projects requires a high level of proactivity and promptness in reacting and facing difficulties, thus the opportunity to learn from previous experiences could indubitably benefit new players in the social field. Being a social entrepreneur has been described by respondents as exhausting and unrewarding at times; people who stick their values and take risks are often disliked by others, being victim of the so called “Tall Poppy Syndrome”, which is a social phenomenon in which people of genuine merit are resented because their achievements elevate them above their peers.

On the other hand, interviewees agree on the fact that running a social enterprise is the most amazing and unpredictable adventure they ever had, due to the fact that it allows to leave a consistent footprint in the world. For these reasons, the creation of empirical-based knowledge can provide best practices and lesson learned so as to facilitate the above rough route, allowing the positive side of being a social entrepreneur to overcome the disadvantageous side.

As stated by Gartner and Birely (2002), one should be not only aware of the strengths of a study but also of its shortcomings. Although the revealed model can provide a framework for social enterprises' stakeholders as well as for future studies, a limitation of this study is represented by the fact that the sample of interviewees currently run enterprises that are exclusively located in Portugal. Hence, the above geographical constraint could represent an area for further research; the latter could involve a sample of social enterprises located in more than one country, in order to compare obtained results and comprehend whether they match with the five-stage model presented in this paper.

Additionally, assessing social performance and impact is one of the greatest challenges for practitioners; the issue is not the assessment itself, but the way in which the key qualitative measurements can be shifted into quantitative data (Mair & Marti, 2004). Hence, major efforts in this direction are also required.

Taking into account the aforementioned arguments, social entrepreneurs decidedly represent "the unreasonable men" described by George Bernard Shaw; all major social progress depends on them and our future will be substantially determined by their actions. In fact, social entrepreneurs are inventing new business models that are

key to catalyse social change and faces epochal challenges that cannot be surmounted relying on existing business models and players (Elkington & Hartigan, 2008).

This research paper does not represent the conclusion of a study; conversely, it is the starting point for a positive present and future change that the world needs.

It is important to bear in mind one of the most powerful lessons learned from social entrepreneurs: instead of revisiting existing possible solutions, we should focus on making the impossible becoming possible. “You see things as they are and ask, ‘Why?’ I dream things as they never were and ask, ‘Why not?’” (Shaw, 1921).

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Appendices

Appendix I: Enterprises snapshot

Business Name: Plugged-in

Interviewee: Charlotte Specht

Location: Start-up Lisboa - Lisbon

Years in business: 1

Type of business: broker between street artists and public providing booking service

Employees: 5

Life cycle stage: Pilot

Website: www.bookastreetartist.com

Business Name: Academia des Champs

Interviewees: Francisco Alvim, Ricardo Loro

Location: Rua Castilho 13 D - Lisbon

Years in business: 4

Type of business: social integration for children through sport, in particular tennis

Employees: 5

Life cycle stage: Operation

Website: www.academiadoschamps.org

Business Name: Terra dos Sonhos

Interviewee: Frederico Fezas Vital

Location: LX Factory - Edifício NORMAJEAN - Rua Rodrigues Faria, nº 103 - Lisboa

Years in business: 6

Type of business: make kids' wishes come true

Employees: 6 full time + volunteers

Life cycle stage: Operation

Website: www.terradossosnhos.org

Business Name: Dariacordar

Interviewee: Antonio Costa Pereira

Location: Avenida Defensores de Chaves, 52 - Lisboa

Years in business: 5

Type of business: recover and distribution of unused spare food

Employees: 10

Life cycle stage: Scale up

Website: www.dariacordar.org

Business Name: APPDAE – Associação portuguesa de pessoas com dificuldades de aprendizagem específicas

Interviewee: Eduarda Melo Cabrita

Location: N/A

Years in business: 6

Type of business: association for the diffusion of knowledge about specific learning disabilities

Employees: 10 + 250 associates
Life cycle stage: Scale up
Website: www.appdae.net

Business Name: Sinergi

Interviewee: João Simoes
Location: N/A
Years in business: 1
Type of business: platform to allow non-profit organizations gathering resources
Employees: 5
Life cycle stage: Pilot
Website: www.sinergi.pt

Business Name: Transformers

Interviewee: Joao Rafael Brites
Location: Universities' offices - Lisbon
Years in business: 3
Type of business: turning teens into transformers
Employees: 69
Life cycle stage: Operation
Website: www.projectotransformers.org/site/

Business Name: Marias

Interviewee: Gustavo Brita - EDP foundation
Location: N/A
#Years in business: 3
Type of business: mediator between householders and domestic services employees
Employees: 4 founders + 62 employees
Life cycle stage: Operation
Website: www.projetomarias.org

Business Name: SURF.ART

Interviewee: Paulo Canas
Location: Cascais
Years in business: 2
Type of business: social integration for children through sport, in particular surf
Employees: 6
Life cycle stage: Operation
Website: www.pressleyridge.pt/projeto-surf-art-ajuda-a-desenvolver-o-potencial-e-autonomia-de-criancas-e-jovens/

Business Name: Escolinha de Rugby da Galizia

Interviewee: Nuno Gonzaga
Location: Estoril
Years in business: 7
Type of business: social integration and personal development support for children through rugby and post-schooling
Employees: 12









Life cycle stage: Scale up

Website: www.escolinhadagaliza.blogspot.pt

Appendix II: Semi-structured interviews questions

1	Where did you start and what did you do first?
2	Which are the main steps you went through?
3	What were your challenges in becoming a social entrepreneur? What would have made the process easier for you?
4	Which are the key assets the social entrepreneur has and which of them enabled the solution to emerge?
5	How do you know you are successful?

Appendix III: Canvas business model

<i>Key Partners</i> 	<i>Key Activities</i> 	<i>Value Proposition</i> 	<i>Customer Relationships</i> 	<i>Customer Segments</i> 
	<i>Key Resources</i> 		<i>Channels</i> 	
<i>Cost Structure</i> 		<i>Revenue Streams</i> 